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U.S., Australia to Sign Free Trade Agreement This Month
Deal Will Expand U.S. Access to Top Manufacturing and Services Export Market

WASHINGTON - U.S. Trade Representative Robert B. Zoellick today announced that the U.S. - Australia Free Trade Agreement (FTA) will be signed on Tuesday, May 18, 2004, in Washington, DC. Zoellick will sign on behalf of the United States and Minister for Trade Mark Vaile will sign on behalf of Australia. This is the first FTA between the United States and a developed country since the U.S.-Canada Free Trade Agreement in 1988.

"American businesses, workers, farmers and consumers will soon have significantly increased ties to this good friend and valuable trading partner," said Zoellick. "Once Congress approves this agreement and it goes into effect, there will be an immediate cut in Australian tariffs on our manufactured goods, providing our manufacturing industry with a helpful boost."

On February 13, 2004, the President notified Congress of his intent to enter into the U.S.-Australia FTA. Under the Trade Act of 2002, the earliest date the agreement could be signed is Friday, May 14.

"We're excited about the opportunities an FTA with Australia will provide our exporters, and we're pleased with recent statements of support from Members of Congress. The May 18 signing date between trade ministers offers the earliest possible date for us to move forward in consultation with Congress," said Zoellick.

Australia is a major trade and investment partner of the United States, and in 2002 was America's 13th largest export market for goods, and the 9th largest if the European Union countries are considered as one destination. Two-way annual goods and services trade is approximately \$28 billion, and two-way foreign direct investment is \$60 billion. Australia purchases more goods from the United States than from any other country, and the U.S. enjoys a bilateral goods and services trade surplus of \$9 billion. Australia is a key export market for important U.S. manufacturing sectors such as aircraft, autos and auto parts, machinery, computers and electronic products, chemicals, and wood and paper products. Each of the fifty U.S. states exports to Australia, and Australia is among the top 25 export destinations for 48 of the 50 states. The leading states exporting to Australia

are Washington, California, Illinois, Texas, Michigan, New York, Ohio, Pennsylvania, and Florida.

Negotiations for a United States - Australia FTA began in March 2003 and concluded with an agreement announced on February 8, 2004.

Background:

The U.S. has completed FTA's with eight countries - Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Australia and Morocco - over the past six months. New and pending FTA partners, taken together, would constitute America's third largest export market and the sixth largest economy in the world. In addition, this week the United States and Panama conducted the first round of free trade negotiations between the two countries. Next week the United States will begin the fifth round of negotiations with the SACU countries (Botswana, South Africa, Lesotho, Swaziland and Namibia) and will soon commence negotiations with Colombia and Thailand.

The United States currently has FTA's with Israel, Canada and Mexico (NAFTA), Jordan, Chile and Singapore.

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